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*"For all of FY
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below forecast".*

This report has been
prepared for the Arizona
Legislature by the Joint
Legislative Budget
Committee Staff on July 31,
2008.

Summary

Preliminary June General Fund revenue collections were \$1.54 billion, including close to \$600 million in budget balancing fund transfers. Excluding these one-time revenues, June collections were (6.7)% below June of last year. With this adjustment, June would mark the eighth consecutive month of negative collections compared to the prior year.

Preliminary June collections were \$(78.0) million below the forecast used for the recently enacted FY 2008 budget revisions. For all of FY 2008, preliminary General Fund revenue collections are \$(356.4) million below forecast. (See Table 1 and page 9 for more information).

For the entire fiscal year, preliminary General Fund revenues equaled \$9.57 billion. After adjusting for the fund transfers, full year collections are down (6.8)% when compared to FY 2007. Excluding the FY 2008 tax reductions, base revenues fell closer to (3.7)%. This was the largest decline in base revenues since FY 2002 when revenues declined (5.7)%.

Among the major revenue categories:

- June sales tax collections were down (6.9)% compared to June 2007 and were \$(93.2) million short of the monthly forecast. Sales tax revenues dropped (2.3)% during all of FY 2008. Full year sales taxes had not declined since 1981, when the sales tax on food was eliminated.
- June individual income tax collections were down (3.5)% compared to June 2007 and were \$(4.6) million below forecast. Overall,

individual income tax revenues dropped (9.1)% for the full year.

- One of the few bright spots in June was corporate income tax collections, which were up 16.8% from June 2007. For the entire year, however, corporate income tax collections declined (20.1)%.

FY 2008 Budget Reserves

When the FY 2008 budget revisions were enacted in April (Laws 2008, Chapter 53), revenues were in the process of declining faster than expected. As a result, Chapter 53 provided a contingency of \$370 million to address any year-end shortfalls.

The \$370 million includes \$152 million in surplus cash funds. (Chapter 53 generated budget solutions greater than the anticipated shortfall at the time.) In addition, Chapter 53 permitted the use of the \$218 million remaining in the Budget Stabilization Fund (BSF).

Revertments

Revenues by themselves do not determine the overall General Fund surplus or shortfall. The level of spending below appropriations (otherwise known as "revertments") also affects the year-end balance. Chapter 53 assumed \$85 million in FY 2008 revertments.

Preliminary revertments, however, are significantly higher than expected. State agencies reverted \$189 million, or a savings of \$104 million above the budgeted amount. While most large agencies report monthly on their projected level of unspent appropriations, their actual revertments



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Summary (Continued)

substantially exceeded their last estimate:

- The Department of Education reverted \$97 million, compared to their June forecast of \$22 million. This unusually high revertment may partially reflect lower than expected K-12 enrollment.
- AHCCCS returned \$54 million to the General Fund, while they had projected saving \$15 million.
- The Department of Economic Security had \$8 million in unspent appropriations, while they had reported no potential revertment in their last monthly report.
- The Department of Health Services reverted \$6 million after having reported a \$13 million shortfall in June.

In addition, the Department of Corrections and the Department of Public Safety each had approximately \$6 million in revertments.

The mismatch between agency estimates and actual revertments may indicate that more FY 2008 bills are still to be paid sometime in FY 2009. For example, approximately half of the ADE revertment will be paid to schools in FY 2009 as a technical adjustment to their FY 2008 formula requirement.

Impact on BSF Transfer

The larger-than-expected revertment savings somewhat offset the \$(356) million revenue loss. Combining these two factors and technical adjustments, the state's shortfall is preliminarily projected to absorb \$252 million of the \$370 million in reserves. The state will first spend down the \$152 million in surplus cash and will then use \$100 million of the BSF to leave a \$1 million General Fund ending balance.

Given that there was a balance of \$218 million in the BSF, this will leave the rainy day reserve with \$118 million for FY 2009. The FY 2009 budget already had set aside \$20 million of that amount for use in balancing that year's budget.

JLBC/OSPB Estimate – Chapter 53 requires that JLBC and OSPB jointly determine the amount that shall be transferred from the BSF to the General Fund. While the current estimated transfer is \$100 million, that amount could change based on further JLBC-OSPB review of the data. State agencies were able to pay FY 2008 claims with FY 2008 funds through July 18th. As a result, the fiscal year-end reconciliation process is still occurring. Any additional adjustments, however, are expected to reduce the size of the shortfall.

JLBC/JCCR Meetings – There were no JLBC or JCCR meetings in July.



"...sales tax revenues are down (2.3)% compared to last year".

June Revenues

Table 1

General Fund Revenues Compared to Enacted Forecast and FY 2007 Collections (\$ in Millions)

	<u>FY 2008 Collections</u>	<u>Difference From Chapter 53 Forecast</u>	<u>Difference From FY 2007</u>
June	\$1,541.6	\$(78.0)	\$ 495.6
Year-to-Date	\$9,566.7	\$(356.4)	\$(59.0)

Sales Tax collections were \$298.8 million in June. This amount was down (6.9)% compared to last June, and was \$(93.2) million below forecast. For the entire fiscal year, sales tax revenues are down (2.3)% compared to last year.

In the retail and contracting sector, June sales

fell compared to the prior June for the second straight year. Retail sales dropped (5.1)% from June 2007, which was (0.7)% below June 2006. There had been some speculation that sales might improve as federal income tax rebate checks were delivered, but that theory has yet to prove itself in Arizona.

June Revenues (Continued)



The housing market collapse continues to drag down the contracting sector of the sales tax. Contracting taxes dropped (13.6)% from June 2007, which had already declined (3.0)% from June 2006. Use taxes dropped even more, (34.7)%, but that has been attributed to a large taxpayer refund.

Table 2 displays the June and year-to-date growth rates for the largest categories.

	<u>June</u>	<u>Year-to-Date</u>
Retail	(5.1)%	(4.4)%
Contracting	(13.6)%	(10.3)%
Utilities	4.0%	7.2%
Use	(34.7)%	12.5%
Restaurant & Bar	6.4%	0.4%

While retail and contracting activity explains a portion of the sales tax drop, estimated payments also played a role. In June, the largest retailers are required to pay a portion of their July sales tax payment a month early. At this time each year, the Department of Revenue calculates the impact of this payment shift as part of June revenues. This calculation typically helps the bottom line as sales grow from one summer to the next. In this circumstance, however, the steep June decline was further worsened by the estimated payment factor.

In addition, Laws 2006, Chapter 351 increased the cap over which businesses are required to make a June estimated sales tax payment from \$100,000 to \$1.0 million, effective in FY 2007. It now appears that some vendors did not take advantage of this provision until this year, which further reduced June collections.

Individual Income Tax collections were \$301.0 million in June, or (3.5)% below last year. June collections were \$(4.6) million less than forecast.

FY 2008 income tax collections were (9.1)%, below last year and \$(138.7) million short of the individual income tax forecast. The (9.1)% reflects the additional (5.0)% income tax rate reduction that took place during the year. Without the reduction, income tax collections would have declined approximately (4.1)%. Table 3 displays the June and year-to-date growth rates for individual categories.

	<u>June</u>	<u>Year-to-Date</u>
Withholding	0.7%	1.5%
Estimated +	(13.6)%	(12.9)%
Final Payments		
Refunds	(12.0)%	14.9%

June withholding increased by 0.7% compared to last year, which brought the fiscal year total to 1.5% over the prior year.

Corporate Income Tax collections were \$150.5 million, or 16.8% above last year. This amount is \$23.5 above the recently enacted budget forecast for the month of June.

Collections for all of FY 2008 are down (20.1)% from the prior year. While June collections exceeded the prior year and the forecast for the month, collections for the fiscal year are \$(27.2) million below the forecast.

The yearly performance of **Other Tax and Revenue** collections is as follows:

- Luxury tax collections were down (7.3)%.
- Lottery collections decreased (8.5)%.
- Interest collections were down (9.0)%.
- Insurance premium taxes increased 1.8%.
- The sale of unclaimed securities generated more funds than expected. Laws 2007, Chapter 260 permitted the Department of Revenue to sell securities in the Unclaimed Property Fund and deposit the proceeds into the General Fund. Unclaimed property security sales were forecasted to be \$45.0 million, but have generated \$47.1 million.
- Most of the budget balancing fund transfers have been deposited into the General Fund. The FY 2008 budget plan provided for a total of \$782.8 million in transfers, including \$487.0 million from the Budget Stabilization Fund, and \$295.8 million in agency fund balance sweeps. Actual transfers to date total \$777.2 million, which is \$(5.6) million below the budget plan estimate.

"FY 2008 income tax collections were (9.1)%, below last year and \$(138.7) million short of the individual income tax forecast".

Recent Economic Indicators

NATIONAL

According to the Bureau of Economic Analysis' advance estimate of the real **Gross Domestic Product (GDP)**, the economy grew at an annual rate of 1.9% in the 2nd quarter of 2008. The largest contributors to real GDP growth were personal consumption expenditures and net exports. In addition, the GDP change for the 4th quarter of 2007 has been revised downward from 0.6% to (0.2)%.

After falling to a 16-year low in June, the Conference Board's **U.S. Consumer Confidence Index** improved slightly in July. The month-over-month increase of 1.8% was believed to reflect better expectations for business conditions and incomes. Compared to last year, the index is down (53.6)%.

The **U.S. Index of Leading Economic Indicators** declined by (0.1)% in June. Four of the 10 components that make up the composite index increased in June. The positive contributors – beginning with largest positive contributor – were building permits, interest rate spread, vendor performance, and manufacturers' new orders for consumer goods. The negative contributors – beginning with the largest negative contributor – were real money supply, stock prices, average weekly initial claims for unemployment insurance, average weekly manufacturing hours, consumer expectations, and manufacturers' new orders for nondefense capital goods.

U.S. semiconductor billings (3-month moving average) increased by 1.8% in May and by 5.2% compared to last year. The Semiconductor Industry Association attributed at least part of the increase to the distribution of tax rebate checks to millions of American households.

The **U.S. Consumer Price Index (CPI)** (3-month moving average) increased by 0.6% in June. The year-over-year increase was 4.3%. For June alone, the CPI increased by 1.1%, which was the largest monthly increase in 26 years. Most of this surge was fueled by energy and food prices.

ARIZONA

Arizona economic indicators remain largely negative, especially with regard to employment, housing, and consumer confidence.

Arizona's **unemployment rate** increased from 4.4% to 4.8% in June. This is the highest rate of unemployment reported since September 2004.

June total statewide **non-farm employment** decreased month over month by (1.8)%, and year over year by (1.2)%. At the aggregate level, the goods-producing sectors of the economy have decreased by (8.4)% since last year compared to an increase of 0.1% for the service-providing sectors.

Construction employment decreased by (0.4)% in June and by (14.3)% year-over-year. This means that there were 33,100 fewer individuals working in the construction sector than a year ago.

Although **manufacturing employment** increased by 0.2% in June, it still remained (2.1)% below the level reported in June 2007. The manufacturing sector has shed 3,900 jobs in the last 12 months.

The number of authorized building permits (3-month moving average) statewide between March and May, totaled 2,671, including 1,965 **single-family residential building permits** and 706 **multi-family building permits**. The number of permits authorized in the single family segment increased 4.7% over the prior period, while the number of permits in the multi-unit segment increased 14.5%. Despite these increases, permitting activity year-over-year in the single-family and multi-family segments are down (52.7)% and (13.7)%, respectively.

The Real Estate Center at Arizona State University reported statistics in June that reflect both traditional transactions and foreclosed transactions.

Based on the report, The Greater Phoenix **single-family median resale home price** in June for traditional and foreclosed properties was \$218,000 and \$169,890, respectively. The

"Arizona's unemployment rate increased from 4.4% to 4.8% in June".

Recent Economic Indicators (Continued)



number of **single-family homes sold** decreased (0.1)% from a year ago in the traditional market, to 4,565 homes. Sales of foreclosed homes, however, totaled 3,275—an increase 469.6% from a year ago.

In June, the **townhouse-condominium median price** was \$164,950 for traditional transactions and \$133,215 for foreclosed transactions. At these levels, the median price for traditional and foreclosed sales declined (8.4)% and (16.1)%, respectively, from a year ago. Year-over-year, the number of **townhouse-condominium units** changing ownership included 625 traditional sales and 230 foreclosed sales. The 855 combined transactions fell (29.6)% from June 2007 levels.

The Phoenix metropolitan area **supply of housing** indicator, a ratio between the number of homes listed for sale on the Arizona Regional Multiple Listing Service (ARMLS) and the number of homes sold in a given month, improved slightly in June, indicating it would take 9.4 months to sell the current inventory of homes. At its current level, the indicator is (0.2) below levels seen last month, and (0.1) months below June 2007 levels. The measure however, has significantly improved from an inventory high of 19.6 months seen in January 2008.

The **Arizona Business Conditions Index (BCI)** fell by (3.3)% in June to 46.7 and is down (18.1)% compared to last year. As noted earlier, a reading below 50 suggests a slowdown in the overall level of economic activity in the near term. Of the 5 components that make up the composite index, all but one (delivery time on placed orders) had a reading of less than 50. (Note that beginning next month, the JPMorgan Chase Economic Outlook Center at the Arizona State University will discontinue its publication of both the Arizona Business Conditions Index and the Arizona Index of Leading Economic Indicators.)

An alternative measure of statewide business sentiment is the University of Arizona's **Business Leaders Confidence Index (BLCI)**. In the 3rd quarter of 2008, the BLCI improved by 1.6 points to 38.5. Despite the increase from the prior quarter, at its current level, the index is (23.8)% below the index a year ago, and 4.3% above the prior quarter.

The Behavior Research Center's **Arizona Consumer Confidence Index** fell 6.4 points in the 1st quarter of 2008, to 73.4. At this level, the index is (31.0)% below the comparable quarter a year ago and is at its lowest reading since 1992. Since the last quarter, the index fell in every region of the state, and is being heavily influenced by a significant lack of confidence in the current economy, business, and employment.

AHCCCS caseloads in July increased by 0.38% (or 4,206 members) from June levels, totaling 1,114,634 members. Year-over-year, the AHCCCS caseload increased by 60,663 members, or 5.8%.

There were a reported 79,270 **TANF recipients** in the state in May, which represented an increase 0.7% over April and 0.9% over May last year. By way of comparison, the FY 2008 state budget was premised on 84,700 recipients.

The **Department of Corrections' (ADC) inmate population** increased by an average of 178 inmates per month between April and June, to an average population of 38,770 inmates. For all of FY 2008, however, ADC's population increased by 151 inmates per month compared to their funded growth of 160 inmates per month.

"Sales of foreclosed homes however, totaled 3,275—an increase 469.6% from a year ago".

Recent Economic Indicators (Continued)

Table 5

RECENT ECONOMIC INDICATORS

Indicator	Time Period	Current Value	Change From Prior Period	Change From Prior Year
Arizona				
- Unemployment Rate	June	4.8%	0.4%	1.2%
- Non-Farm Employment – Total	June	2.61 million	(1.8)%	(1.2)%
Manufacturing	June	178,500	0.2%	(2.1)%
Construction	June	198,000	(0.4)%	(14.3)%
- Contracting Tax Receipts (3-month average)	Apr-Jun	\$67.7 million	5.0%	(14.9)%
- Retail Sales Tax Receipts (3-month average)	Apr-Jun	\$161.6 million	1.5%	(7.9)%
- Residential Building Permits (3-month moving average)				
Single-unit	Mar-May	1,965	4.7%	(52.7)%
Multi-unit	Mar-May	706	14.5%	(13.7)%
- Greater Phoenix Existing Home Sales				
Single-Family, Traditional Sales	June	4,565	5.8%	(0.1)%
Single-Family, Foreclosed Sales	June	3,275	13.1%	469.6%
Townhouse/Condominium, Traditional Sales	June	625	(8.1)%	(46.8)%
Townhouse/Condominium, Foreclosed Sales	June	230	4.5%	475.0%
- Greater Phoenix Median Home Sales Price				
Single-Family, Traditional Sales	June	\$218,000	(2.7)%	(17.7)%
Single-Family, Foreclosed Sales	June	\$169,890	(2.9)%	(24.8)%
Townhouse/Condominium, Traditional Sales	June	\$164,950	(2.9)%	(8.4)%
Townhouse/Condominium, Foreclosed Sales	June	\$133,215	(1.8)%	(16.1)%
S&P/Case-Shiller Home Price Index	May	157.32	(2.5)%	(26.5)%
- Months Supply of Housing (ARMLS)	June	9.4 months	(0.2) months	(0.1) months
- Phoenix Sky Harbor Air Passengers	May	3.5 million	(0.8)%	(4.5)%
- Arizona Average Natural Gas Price (\$ per thousand cubic feet)	March	\$9.86	12.2%	3.5%
- Leading Indicators Index	January	119.1	0.3%	(0.6)%
- Business Conditions Index (>50 signifies expansion)	June	46.7	(3.3)%	(18.1)%
- Consumer Confidence Index	1 st Quarter 2008	73.4	(8.0)%	(31.0)%
- Business Leaders Confidence Index	3 rd Quarter 2008	38.5	4.3%	(23.8)%
- Arizona Personal Income	1 st Quarter 2008	\$213.9 billion	1.1%	3.8%
- Arizona Population	July 1, 2007	6.34 million	173,066	2.8%
- AHCCCS Recipients	July	1,114,634	0.38	5.8%
- TANF Recipients	May	79,270	0.7%	0.9%
- DOC Inmate Growth (3-month average)	Apr-Jun	38,770	178 inmates	1,968 inmates
United States				
- Real Gross Domestic Product (seasonally adjusted annual growth rate)	2 nd Quarter 2008	\$11.7 trillion	1.9%	1.8%
- Consumer Confidence Index	July	51.9	1.8%	(53.6)%
- Leading Indicators Index	June	101.7	(0.1)%	(2.1)%
- U.S. Semiconductor Billings (3-month moving average)	Mar-May	\$3.52 billion	1.8%	5.2%
- Consumer Price Index, SA (3-month moving average)	Apr-Jun	215.4	0.6%	4.3%

Summary of Recent Agency Reports

Arizona Department of Commerce – Science Foundation Arizona Report

Science Foundation Arizona (SFAz) is required to report quarterly on its activities. SFAz reported that total commitments increased from \$35.4 million to \$38.5 million or \$3.1 million in the fourth quarter of FY 2008. The change is due to an increase in research and development grants from \$12.0 million to \$15.1 million.

Arizona Department of Corrections – Report on Bed Plan – The Department of Corrections (ADC) has provided a report to JLBC Staff with updated information related to their bed plan. Laws 2007, Chapter 261 authorized the Arizona Department of Administration (ADOA) to contract for 2,000 new private prison beds as well as the construction of 4,000 new public beds. The latter is to be funded via a 20-year, \$200 million lease-purchase agreement.

2,000 Private Beds

On May 29, 2008, ADC and ADOA requested Management and Training Corporation (MTC) to secure all required insurance and bonds as specified under their contract for 2,000 new private prison beds located in Kingman, AZ. MTC anticipates securing financing by September 2008, at which time the Notice to Proceed for Construction will be issued. After 16 months of construction, Arizona inmates would be transferred to the facility in January 2010.

4,000 Public Beds

During the fourth quarter, ADOA secured financing totaling \$199,855,000 to design and build the 4,000 state operated prison beds. In addition, the programming, conceptual design and estimate (which is currently within budget), and the schematic design have been completed.

Currently, work is underway to complete the schematic estimate as well as the design development estimate. Upon completion, ADOA and ADC plan to present the project to JCCR. Subsequently, a guaranteed maximum price will be provided by the construction manager at risk. ADOA, in consultation with the construction manager at risk and architect, have determined that a phase-in of the beds will be more costly. As a result, the current construction schedule indicates the construction of all 4,000 beds would be finished in February 2010.

Provisional Beds

Beyond the private and public beds, ADC is also renting temporary provisional beds. The recent changes include:

- The ADC Procurement Office is finalizing the re-release of a solicitation for up to 600 low-custody provisional beds.
- Construction increasing the capacity from 917 beds to 2,000 beds at the Great Plains Correctional facility in Hinton, Oklahoma, has been further delayed from September 2008 to December 2008. ADC has full-year funding for 1,340 beds at this facility, as well full-year funding to replace the 1,260 beds previously contracted for in Indiana. Increasing the capacity to 2,000 in Oklahoma would replace 660 of the 1,260 beds lost in Indiana.

Department of Economic Security – Report on Arizona Training Program at Coolidge (ATP-C) Campus and Other Placements

A footnote in the FY 2008 General Appropriation Act requires the Department of Economic Security (DES) to report on placements of developmentally-disabled (DD) clients into state-owned Intermediate Care Facilities for the Mentally Retarded (ICF-MR) or at the ATP-C campus in FY 2007. DES reports that there were no new permanent placements at the ATP-C campus, but that there was 1 new placement into a state-operated ICF-MR in Phoenix in FY 2008. This person was admitted based on the need for 24-hour nursing that required an ICF-MR level of care and because the guardian declined placement into a private ICF-MR.

Arizona Department of Education – Report on AIMS Contract Changes

A General Appropriation Act footnote states that "Before making any changes to the Achievement Testing program that will increase program costs, the State Board of Education shall report the estimated fiscal impact of those changes to the JLBC." In this regard, the Arizona Department of Education (ADE) recently reported that FY 2009 changes will cost \$400,000 more than expected.

It is unclear whether additional General Fund funding would be needed for AIMS in FY 2009 under the revised ADE estimates, as federal and Proposition 301 funds may be able to cover at least part of the additional costs.

Summary of Recent Agency Reports (Continued)

The current AIMS contract expires at the end of FY 2009. Section 65 of the Education BRB for FY 2009 (Laws 2008, Chapter 287) stipulates that any subsequent AIMS contract shall not exceed 1 year in duration.

Additionally, the Family Literacy Program reported a total of 485 applicants for services. Of this amount, 346 were not eligible for enrollment.

Proposition 300 Report

Public Programs Eligibility Report – As enacted in the 2006 election, Proposition 300 limits participation in certain state programs to citizens, legal residents, or other persons lawfully present in the United States and requires semi-annual reports to the JLBC. Below is a summary of the reports:

Community Colleges

District-wide, the community colleges reported a total of 226,585 students classified as in-state. They reported 4,922 students who were not entitled to be classified as in-state because of a lack of lawful immigration status. Additionally, 54,837 students applied for financial aid. Of those who applied, the community colleges reported that 327 were not entitled to any aid because they were not lawfully present in the United States.

Universities

At the 3 universities, 115,150 students registered for the spring 2008 semester. Of the total students registered, the universities were able to verify the legal immigration status of 105,719 students. Additionally, the universities reported that 7,672 of these students did not require verification because they have either not requested, or received in-state tuition or state supported financial aid. The universities reported that a total of 198 students were unverifiable due to their inability to provide the requisite documentation.

Department of Economic Security

The department reported that 12,116 applications were received for child care assistance. Of this number, 35 were denied because criteria for citizenship or legal residency were not met.

Arizona Department of Education

The department reported that 16,773 people applied for instruction in Arizona Adult Education during the reporting period of January 1, 2008 to May 31, 2008. Of this amount, 771 were denied instruction because they failed to provide acceptable evidence of citizenship or legal residence in the U.S.

State of Arizona

General Fund Revenue: Change from Previous Year and Enacted Forecast June 2008

	Current Month					FY 2008 YTD (Twelve Months)				
	Actual June 2008	Change From				Actual June 2008	Change from			
		June 2007		Forecast			June 2007		Forecast	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
<u>Taxes</u>										
Sales and Use	\$298,794,828	(\$21,985,495)	(6.9) %	(\$93,192,881)	(23.8) %	\$4,353,564,848	(\$104,065,994)	(2.3) %	(\$172,704,452)	(3.8) %
Income - Individual	300,972,666	(10,763,154)	(3.5)	(4,608,256)	(1.5)	3,406,483,318	(340,903,619)	(9.1)	(138,738,782)	(3.9)
- Corporate	150,451,199	21,626,655	16.8	23,543,175	18.6	784,510,781	(197,658,783)	(20.1)	(27,185,919)	(3.3)
Property	4,822,879	(1,833,075)	(27.5)	(1,483,909)	(23.5)	20,041,338	(4,444,687)	(18.2)	(3,958,662)	(16.5)
Luxury	4,997,183	(508,068)	(9.2)	(1,080,007)	(17.8)	61,037,200	(4,771,627)	(7.3)	(2,091,000)	(3.3)
Insurance Premium	75,506,395	3,430,810	4.8	(161,442)	(0.2)	407,042,995	7,225,951	1.8	(7,313,205)	(1.8)
Estate	200	(20,494)	(99.0)	33,522	--	320,203	870,967	--	85,403	36.4
Other Taxes	195,101	156,872	410.3	147,108	306.5	1,484,754	156,284	11.8	884,754	147.5
Sub-Total Taxes	\$835,740,451	(\$9,895,949)	(1.2) %	(\$76,802,690)	(8.4) %	\$9,034,485,437	(\$643,591,508)	(6.6) %	(\$351,021,863)	(3.7) %
<u>Other Revenue</u>										
Lottery	14,644,300	(1,710,400)	(10.5)	2,298,119	18.6	48,449,619	(4,472,681)	(8.5)	3,724,319	8.3
License, Fees and Permits	3,995,648	720,307	22.0	(269,806)	(6.3)	37,771,088	(2,464,739)	(6.1)	(1,083,312)	(2.8)
Interest	9,591,482	(7,347,113)	(43.4)	6,857,058	250.8	95,066,979	(9,406,021)	(9.0)	7,228,079	8.2
Sales and Services	12,621,313	(934,794)	(6.9)	(1,536,931)	(10.9)	57,251,586	(6,483,348)	(10.2)	(9,492,414)	(14.2)
Other Miscellaneous	13,858,151	(1,890,550)	(12.0)	(3,547,716)	(20.4)	45,719,257	1,284,381	2.9	911,957	2.0
Disproportionate Share	72,189,600	(40,937,700)	(36.2)	(1,380,700)	(1.9)	72,189,600	(40,937,700)	(36.2)	(1,380,700)	(1.9)
Transfers and Reimbursements	136,867	(6,683,525)	(98.0)	(1,266,539)	(90.2)	34,035,092	14,554,101	74.7	(1,821,808)	(5.1)
Sub-Total Other Revenue	127,037,361	(58,783,775)	(31.6) %	1,153,485	0.9 %	390,483,221	(47,926,007)	(10.9) %	(1,913,879)	(0.5) %
TOTAL BASE REVENUE	\$962,777,812	(\$68,679,724)	(6.7) %	(\$75,649,205)	(7.3) %	\$9,424,968,658	(\$691,517,515)	(6.8) %	(\$352,935,742)	(3.6) %
<u>Other Adjustments</u>										
Urban Revenue Sharing	(57,044,911)	(11,109,023)	24.2	(17)	0.0	(684,538,929)	(133,308,268)	24.2	(29)	0.0
Budget Plan Transfers	586,783,481	526,702,981	876.7	(4,462,147)	(0.8)	777,186,032	717,105,532	--	(5,585,968)	(0.7)
Unclaimed Property	47,132,471	47,132,471	--	2,132,471	4.7	47,132,471	47,132,471	--	2,132,471	4.7
Liquor License Fee	2,000,000	1,550,000	344.4	0	0.0	2,000,000	1,550,000	344.4	0	0.0
Sub-Total Other Adjustments	578,871,041	564,276,429	-- %	(2,329,693)	(0.4) %	141,779,574	632,479,735	-- %	(3,453,526)	(2.4) %
TOTAL REVENUE	\$1,541,648,853	\$495,596,705	47.4 %	(\$77,978,898)	(4.8) %	\$9,566,748,232	(\$59,037,780)	(0.6) %	(\$356,389,268)	(3.6) %